Tommy G. Thompson
Governor

ld Whitburn
ecretary

State of Wisconsin
Department of Health and Social Services

DIVISION OF HEALTH

1 WEST WILSON STREET
P O BOX 309
MADISON WI 53701-0309

October 1992

MISSION

DIVISION OF HEALTH

In furtherance of the Department's mission, the Division of Health, in association with public and private health agencies and health care providers, is to foster programs which protect health and life, prevent disease and disability, promote healthful behaviors, and offer medical treatment and care characterized by adequate quality, reasonable cost, and avoidance of unnecessary duplication.

In support of this mission, the Division of Health has the following broad responsibilities:

To monitor and minimize the negative effects of diseases and health hazards on the public.

To educate and inform the public, promote preventive health care, and reduce the incidence of avoidable health problems.

To encourage individual responsibility for health.

To foster the availability of adequate quality health care at reasonable cost in safe, clean facilities.

To manage the Medical Assistance Program to ensure the availability of essential health care services at reasonable cost to low-income persons who are most in need.

To collect, analyze, and reproduce vital statistics and other public health data necessary to define the public's health status and to identify any need for change.

To give particular program emphasis to populations at risk for various health problems.

To develop statewide plans for the health care system.

To provide technical assistance and consultation to community health programs and limit state direct health care services accordingly.

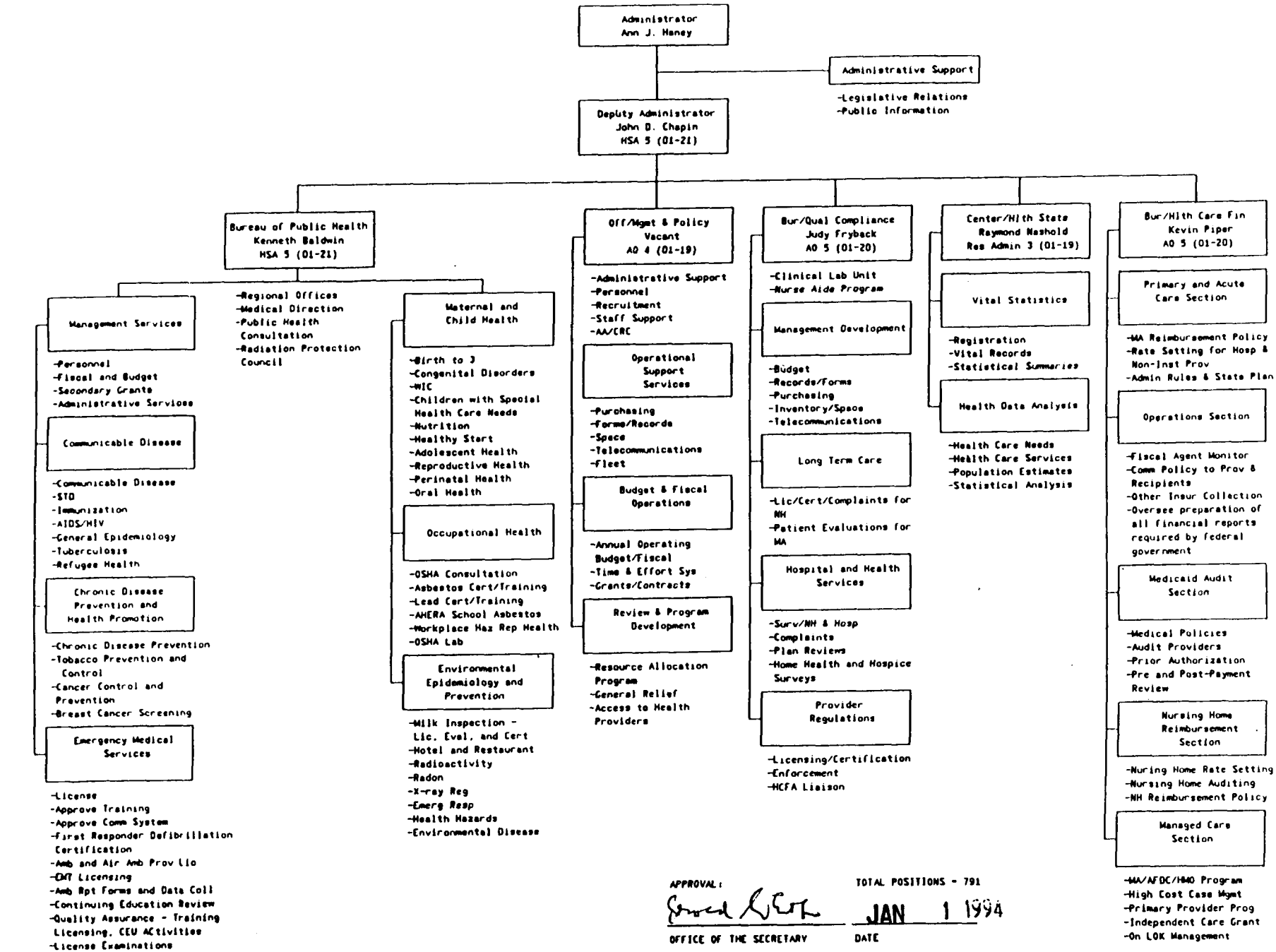
Ann J. Haney, Administrator

TN#: 94-008
Supersedes
TN#: 85-0151

Approval Date 4-6-94 Effective Date 7/1/94

DIVISION OF HI

January, 1994
Division Code:



APPROVAL:

OFFICE OF THE SECRETARY

TOTAL POSITIONS - 791

JAN 1 1994

DATE

TN: 94-008
Supersedes
TN: 85-0151

Approval Date: 4-6-94 Effective Date: 7/1/94

BUREAU OF HEALTH CARE FINANCING

MISSION STATEMENT

Mission:

The mission of the Bureau of Health Care Financing (BHCF) in the Division of Health is to administer the $2.5 billion Wisconsin Medicaid program consistent with the public's highest expectations of equity, effectiveness, and efficiency.

Primary Objective:

Provide Medicaid recipients with reasonable, affordable, and cost-efficient access to high quality, medically necessary, and contemporary health care within budgeted funding levels and consistent with federal and state authority.

Management Philosophy:

- The Bureau of Health Care Financing is to be *managed for results*, through:

  - ✓ Complete and timely information gathering
  - ✓ Thorough, rigorous, and sound analysis of issues and information
  - ✓ Strategic and tactical thinking
  - ✓ Proactive, anticipatory, and creative problem solving
  - ✓ Pragmatic, decisive, and ethical decision making

- The BHCF recognizes the critical importance of judgement, knowledge, and information in the day-to-day management of the Medicaid program.

Operating Priorities and Strategic Goals:

Our mission and primary objective translate into the following four operating priorities, each with several equally important strategic goals:

I. Cost Containment and Budget Management:

- ☞ Promote cost-effective and accessible service delivery by ensuring analytically and economically sound reimbursement systems, actuarially sound managed care rate setting, and effective institutional auditing and rate setting.

- ☞ Assertively monitor all expenditures compared to budget, and proactively identify and implement changes to ensure that overall spending is within budget each fiscal year.

- ☞ Control benefit expenditure growth to less than budgeted growth in each service area in each fiscal year.

- ☞ Accurately project and continuously track the cost or savings of all program changes, and assess and continuously improve the accuracy of projections.

- ☞ Effectively analyze and thoroughly understand changes, patterns, and trends in service use, cost, and delivery for each service type, provider type, recipient category, age group, and geographic area.

II. Access to Quality Care:

- ☞ Ensure adequate coverage of medically necessary health care in the most clinically appropriate, reasonably accessible, and cost effective settings.

- ☞ Maximize provider participation, to the extent possible, through clear and direct communication, timely follow-up, in-depth planning, and careful implementation of program initiatives.

- ☞ Aggressively promote access to primary and preventative care for infants, children, and pregnant women.

- ☞ Effectively administer and continuously expand managed care programs, including health maintenance organizations, primary providers, selective contracting, and specialized case managers.

- ☞ Based on the Public Health Agenda 2000, continuously improve the health status of the Medicaid population, over time and relative to the general population.

- ☞ Continuously improve medical review activities, consistent with contemporary, defensible clinical standards and the efficient use of staff and contractor resources.

III. Program Integrity and Accountability:

- ☞ Ensure timely, thorough, and analytically sound decision making at all levels of BHCF.

- ☞ Ensure clear, concise, well-reasoned, and prompt oral and written communications with DHSS and DOH leadership, recipients, providers, legislators, HCFA, other bureaus and agencies, other states, and advocates.

- ☞ Establish and continuously improve a comprehensive and innovative utilization management program based on private and public sector best practices.

- ☞ Ensure continuous compliance with federal and state statutes and regulations and with the state plan with HCFA.

- ☞ Effectively and assertively administer contracts and ensure the continuous accountability of each contractor to BHCF management and their respective contractual obligations.

- ☞ Continuously modernize Medicaid administrative rules to ensure adequate legal authority for changing program policies and operational circumstances.

- ☞ Effectively coordinate benefits, and ensure that Medicaid is the payor of last resort.

- ☞ Act affirmatively in the recruitment of under represented persons for BHCF positions.

The key issues for Medicaid utilization management are as follows:

(1) **Accessibility** (i.e., ease with which recipients can obtain the health care that they need when they need it, and the degree to which recipients actually obtain health care [particularly primary and preventative care] they need when they need it).

(2) **Appropriateness of Care** (i.e., degree to which the correct health care is provided, given the current state-of-the-art in the medical fields, and the degree to which medically necessary).

(3) **Continuity** (i.e., degree to which health care needed by recipients is effectively and efficiently coordinated among practitioners, across health care organizations, and across time periods and episodes of care).

(4) **Effectiveness** (i.e., degree to which health care is provided correctly, given the current state-of-the-art in the medical fields, and the degree to which the recipient can reasonably be expected to benefit from the correct provision of a service, drug, or other health care item).

(5) **Efficacy** (i.e., degree to which health care provided has the potential to meet the demonstrated medical need for which the care was used).

(6) **Efficiency** (i.e., degree to which the health care received by a recipient has the desired medical effect with a minimum of expense, waste, and duplication).

(7) **Appropriateness of Setting** (i.e., degree to which health care is provided in the most clinically appropriate, cost-effective, and safe setting).

(8) **Timeliness** (i.e., degree to which health care is provided to recipients when it is needed).

Director's Office

The Director's Office provides overall direction for Bureau operations, policy development, and program implementation and consists of the Director and Deputy Director.

Support Service Unit

Functions of this unit include developing and implementing Bureau procedures, processing purchase orders, printing requests, travel vouchers, time and activity reports, training requests, quick copy requests and Planning Performance and Development (PPDs). This unit also receives all incoming mail for Bureau and maintains control correspondence logs (EDS, Director, Deputy Director, Governor, Secretary, Administrator), and central files. This unit also includes BHCF's Word Processing Center.

Professional Support

There are four functions for this unit: 1) monitoring the Bureau's operating budget and the Medical Assistance Contracts, 2) representing the Bureau's Estate Recovery Program in all litigation including Probate Court, drafting legislative language and Medicaid state plan issues, 3) coordinating and directing the Bureau's personnel activities, and 4) overseeing procurement of the Bureau's contracts.

Managed Care Section

The Managed Care Section is responsible for the development, implementation, and administration of all Managed Care Programs. These include the Health Maintenance Organization (HMO) programs for AFDC recipients, the disabled, and the elderly; the Primary Care Initiative (PCI) for AFDC recipients and the disabled.

Primary Provider Program: The 1993-95 Budget supported the development of a pilot primary provider program. Under this proposal, DHSS requested a federal waiver to require AFDC and SSI recipients to select a primary provider. AFDC and Healthy Start participants who are currently required to enroll in a health maintenance organization are exempt from this requirement. Beginning in July 1994, BHCF will initiate a six-month enrollment phase, during which AFDC and SSI recipients in selected counties will be required to select a primary provider.

Targeted Managed Care Program: The 1993-95 Budget supported the development of a volunteer "Targeted Managed Care Program." Approximately 250 Medical Assistance recipients with complex chronic medical conditions whose annual health care costs exceed $75,000 will be targeted for the managed care program. Under the program, beginning July 1994, a contracted case manager and/or comprehensive provider will coordinate medical care and monitor all services to selected high-cost Medical Assistance recipients to ensure utilization of efficient and cost-effective treatment alternatives.

Managed Care Operating Unit

This unit administers the Medical Assistance HMO Program within BHCF, through which over 130,000 AFDC recipients receive their Medical Assistance benefits through HMOs. Although officially called the Preferred Enrollment Initiative (PEI), this program is best known as the "HMO Initiative." This program represents the Wisconsin Medical Assistance Program's chief alternate delivery system. The Medical Assistance HMO Program has a dual objective. Through the use of HMOs and their case management techniques, it seeks to upgrade the quality of health care for MA recipients, while at the same time helping to control the cost of services. It is estimated that the program has saved Wisconsin taxpayers an average of $14 million dollars each year since it was implemented in 1985.

Managed Care unit staff monitor Medical Assistance HMO enrollments, systems problems, grievances, marketing activities, and subcontracts. They also administer the bidding process by which HMO contractors are chosen and oversee program expansion to new counties. In performing these functions, the Managed Care Unit works closely with county social service agencies; the Medical Assistance fiscal agent; numerous agencies within both the Division of Health and the Division of Community Services, as well as the Bureau of Management Information.

This unit also administers the Pace project for elderly persons in Milwaukee County and will administer a new Pace project which will be implemented in Dane County in May, 1994.

Independent Care Grant: The Independent Care Managed Care Grant for SSI Medicaid recipients is a new managed care program for disabled adults in Milwaukee County. BHCF contracts with the Milwaukee Center for Independence for professional and technical services to plan, implement, and administer the Independent Care Managed Care Grant initiatives.

Primary and Acute Care Section

This section is compromised of two units and has primary responsibility for developing Medicaid policies for approximately 34 services areas such as physician, hospital, dental and pharmacy services. Policy analysis and development includes determining the scope of benefits, benefit limitations, and rates of payment. This section also monitors and analyzes budgets in the different policy areas. The section is also responsible for maintenance of the Medical Assistance State Plan and Administrative Rule (the "Super Rule") and for staffing the Medical Assistance Advisory Committee.

In the 1993-95 Budget two positions were approved for "Cost Containment." Areas that will be reviewed to help contain cost are: 1) Drugs - modify current administrative procedures regarding coverage of drugs, 2) Durable medical equipment and supplies - streamline billing codes for disposable medical supplies to improve efforts to bill Medicare for these supplies, and 3) home care.

Community Health Services Unit

The Community Health Services Unit is responsible for the analysis, development and monitoring of complex policies related to reimbursement methodologies for services covered for maternal and child health, HealthCheck (EPSDT), pharmacy, dental, physicians, optometrists/ opticians, home health, personal care, durable medical equipment, transportation, chiropractors, hearing aid dealers mental health and alcohol and other drug abuse and other non-institutional provider areas; and certain hospital areas. The unit also is responsible for monitoring and analyzing proposals relating to eligibility for Medical Assistance, including the Healthy Start program for low-income pregnant women and children.